



# Enterprise Workforce Report

## State of Georgia



Georgia®

State Personnel Administration

Workforce Services Division

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## Executive Summary

In a continuing quest to create “A New Georgia”, the State must position itself to make the best use of its human capital resources while adequately serving its citizens with a prepared and well-trained workforce. Currently, Georgia faces all-time high unemployment rates, rising incarceration rates, increasing primary and secondary school enrollments and a quickly growing population. Consequently, the state’s workforce is dealing with increasing workloads and rising expectations to do “more with less”. Workforce challenges are further exacerbated due to training and development needs as well as high voluntary turnover within critical jobs in the law enforcement and health fields.

Additionally, the ever-present issue of pending retirements and the need for effective management of generational differences in the workplace reinforce the importance of workforce planning. The following report contains aggregated data from workforce and strategic plans submitted this fiscal year.

Georgia State Government demographic trends (and annual changes):

<b>Total Employees – 77,934</b> <i>(down 5%)</i>	<b>Unclassified</b> <b>65,189</b> <i>(down 0.9%)</i>	<b>Classified</b> <b>12,745</b> <i>(down 23.2%)</i>
Average Salary – All Employees	\$36,981 <i>(down 1.8%)</i>	
Average Age	45 <i>(up 1 year)</i>	
Average Tenure	9 years <i>(no change)</i>	
Gender Composition	63% Female / 37% Male <i>(no change)</i>	
<b>Total Overall Turnover Rate</b>	<b>13%</b> <i>(down from 16.9%)</i>	

### Top Four Workforce Gaps:

- Staffing gaps due to pending and recent retirements
- Competency gaps of team leadership skills
- Professional development of employees
- Difficulty finding applicants who possess specialized knowledge

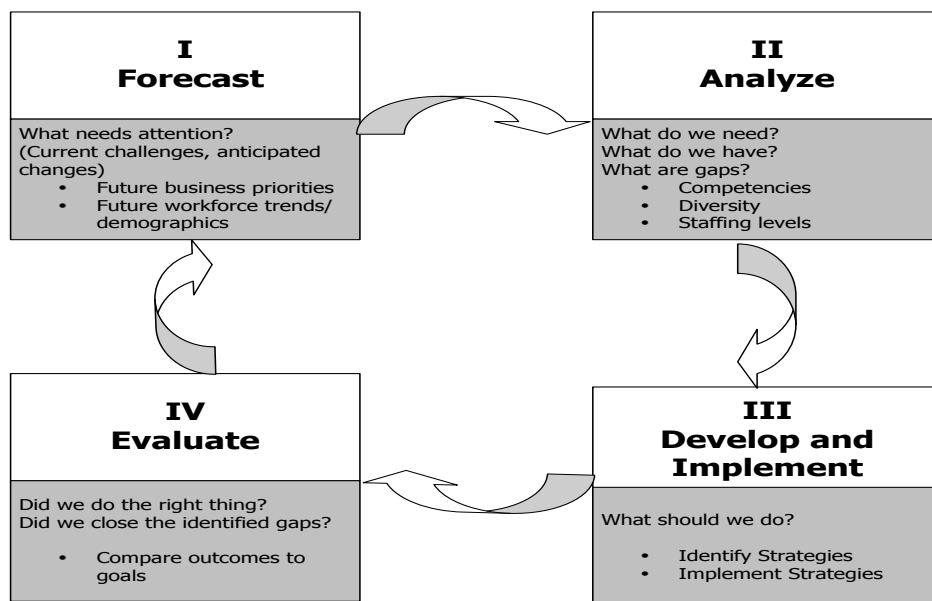
An overwhelming 95% of agencies that submitted workforce plans recommended human resource strategies that will assist them in recruiting the most qualified applicants, as well as help them retain their most competent employees. Agencies recognize talent is essential for success and understand the need for developing their employees. As high potential performers are preparing to assume positions of leadership, the State has taken steps to save its institutional knowledge. Georgia continues to focus on enterprise succession planning initiatives through the Georgia Leadership Institute’s Executive Leadership Development Program. These

programs help to ensure the development of agency management and helps sustain a competent workforce.

## Workforce Planning Model

Workforce planning is a systematic, proactive process, which aligns strategic planning, human capital, and budgeting to meet organizational goals and objectives. Georgia has designed the following four step model:

- Forecasting mission critical talent needs
- Analyzing current workforce and talent supply
- Developing and implementing strategies
- Evaluating strategies to close staffing, competency and diversity gaps



### Workforce Planning Law

State law specifies: (O.C.G.A. 45-20-1- section E) Each agency shall develop an annual workforce plan according to statewide criteria and guidelines and shall provide a report of such plan annually to the State Personnel Administration (formerly the Georgia Merit System) for incorporation into the statewide workforce plan to be submitted to the Governor and the General Assembly.

### Workforce Planning Process

Workforce plans submitted by each agency are reviewed annually by the State Personnel Administration. Agency workforce goals, identified gaps, selected strategies, and targeted outcomes are analyzed for prevailing trends and common issues. Agency workforce planning data is aggregated and compiled into in this report and submitted to the Governor's Office.

## Workforce Forecast & Trends

Forecasting involves projecting trends and priorities that could affect the workforce. Pending retirements, team leadership skills, the need for more professional development and specialized knowledge are trends most cited by agencies in their workforce plan submissions.

### Workforce Planning Submissions

Executive Agencies	28
Non-Executive Agencies	17
<b>Total Submissions</b>	<b>45</b>

<b>Trend</b>	<b>% of Agencies Reported</b>	<b>Workforce Forecast – Agency Description(s)</b>
Retirement	36%	A sizable portion of state government employment consists of an aging workforce that has initiated retirement or is considering its possibility.
Leadership Development of High-Potential Performers	29%	With pending retirements, leadership development of high potential performers is essential in order to transition in succession as senior level vacancies become available.
Professional Development	27%	Professional development is necessary to retain and develop employees for job enhancement, rotation and enrichment. It is critical for keeping up with the latest industry knowledge and experience.
Sourcing Candidates with Specialized Knowledge	20%	Agencies that identified critical jobs are having challenges finding candidates with specific skills in areas such as finance, accounting, HR, nursing, IT, etc.
Voluntary Turnover	20%	Employees are exiting state government prematurely which leads to inadequate supply in some critical jobs.
Institutional Knowledge	16%	Less tenured employees lack an understanding of how the agency works, i.e., its legacy or operations. There is a lack of procedural and policy documentation (e.g., standard operating procedure -- SOP)
Technology Skills Deficiency	16%	Agencies are exploring new technology to automate processes so there is an imperative need for employees to increase their technical skills.
Compensation Constraints	16%	State government tends to lag the market in terms of pay, preventing some agencies from effectively competing with the private sector.

# Environmental Scan

Key Findings	<ul style="list-style-type: none"><li>▪ Georgia's population will increase by 46.8% between 2000 and 2030.</li><li>▪ 1 out of 3 people moving to Georgia are international immigrants.</li><li>▪ Almost 80% of employers expect an increase of employees working past their desired retirement age.</li><li>▪ The state's unemployment rate increased from 6.2% in July 2008 to 10.3% in July 2009.</li><li>▪ Between 2010 and 2020, the average base salary increase percentage in the labor market is projected to drop from 3% to 2%.</li><li>▪ About 45% of employers expect difficulty in retaining critical-skill employees; 41% expect difficulty in attracting them.</li></ul>
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## Population Growth in Georgia

Georgia's growing population increases expectations on state government employees faced with increasing workloads and a greater number of citizens to service. With retirement on the horizon for a sizable percentage of employees, agencies face the continuous challenge of providing an adequate workforce to service Georgia's citizens.

## Increasing Diversity

With the growing number of immigrants moving into the state, many agencies are required to service citizens who speak languages other than English. Best practices suggest agencies staff their respective workforces with this need in mind.

## An Aging Population

- Between 2000 and 2030, the population of individuals age 65 and older is expected to increase 143%.
- By 2030, the U.S. Census Bureau projects the 65 and over population to be twice as large as it was in 2000; constituting 72 million people (20% of the national population).

***Source: Georgia Governor's Office of Planning and Budget, 2009***

## Generational Differences

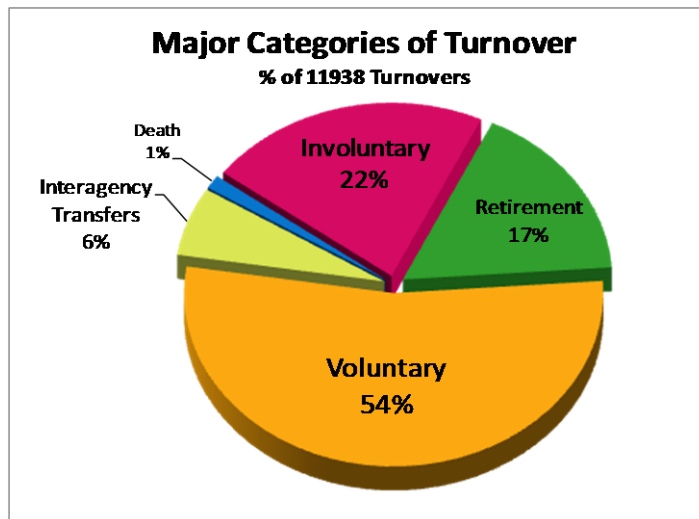
As Baby Boomers continue to retire, there will be a loss of institutional knowledge if it is not transferred to younger employees. The state needs to encourage employees of all generations to work together to capitalize on the transfer of such knowledge.

## Turnover

Overall turnover for the state of Georgia is 13%. The following are some benchmarks of annualized turnover statistics:

Private Sector	48.7%
Federal Government	11.6%
State and Local Government	16.3%

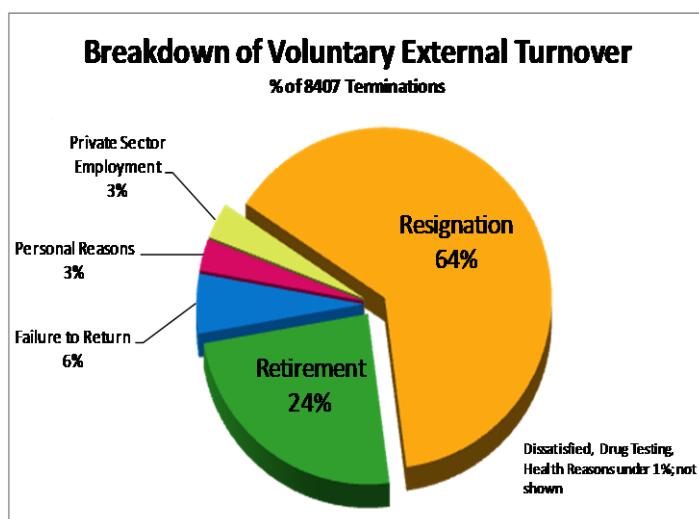
Source: Bureau of Labor Statistics, Job Openings and Labor Turnover Summary, January 2009



- Voluntary turnover decreased from 61% last FY to 54% of all terminations and includes resignations and employees departing for professional and personal reasons.
- Involuntary turnover increased from 16 to 22% overall. These include dismissals, releases, and reductions in force.

### Reasons of Voluntary Turnover

Of the 11,938 terminations during fiscal year 2009, approximately 71% were voluntary resignations or retirements. The following chart is a distribution of this activity.



- 64% of all voluntary external terminations in State government are recorded in the generic category of Resignation.
- Of all Voluntary External Turnover the percentage of retirements increased from 16% to 24% this FY.

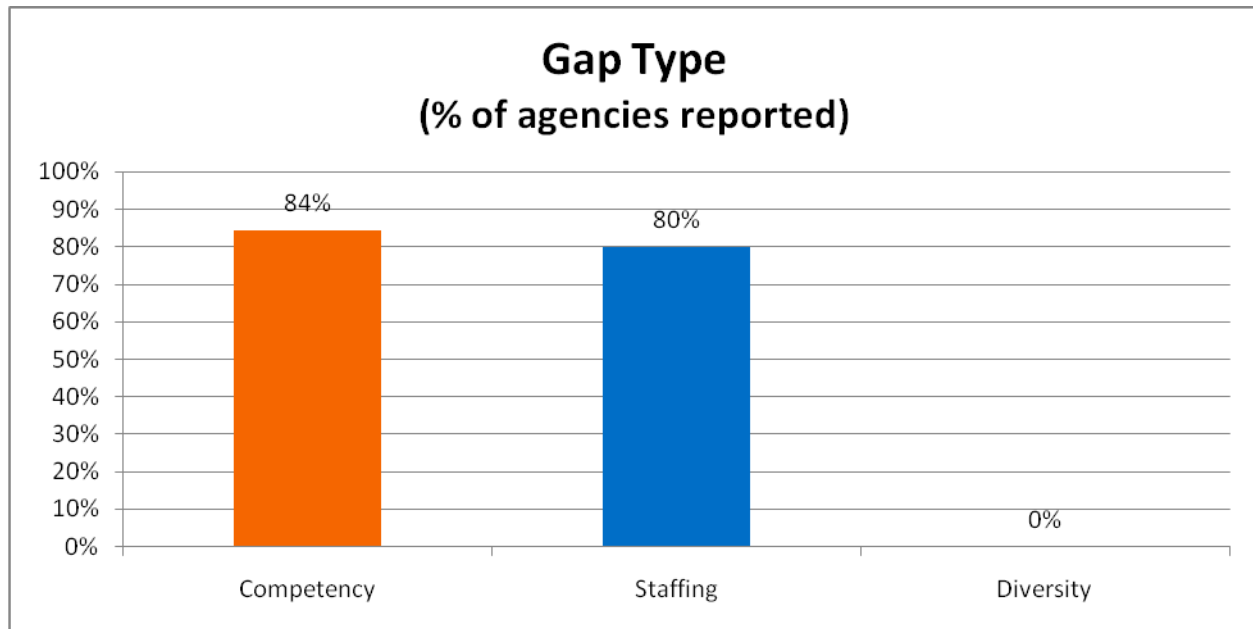
### Tenure

- State government employees had a median tenure of 6.5 years, almost double the median tenure of private sector employees of 3.6 years. Longer tenure among workers in public sector is partially explained by a higher share of workers age 35 and over.
- Older employees are more likely to remain in their jobs longer. The median tenure for employees age 55 to 64 was 9.9 years in January 2008, while the tenure for workers age 25 to 34 was 3.7 years. (Bureau of Labor Statistics, 2008)

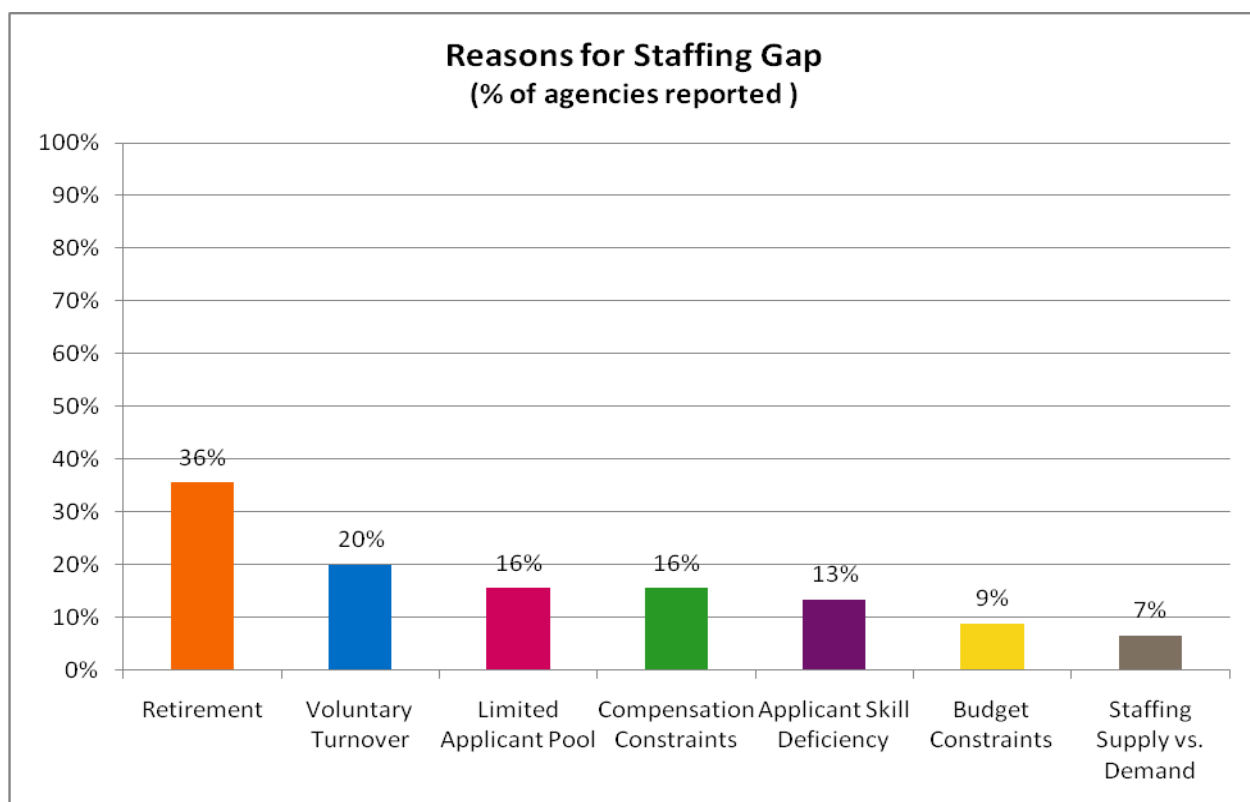
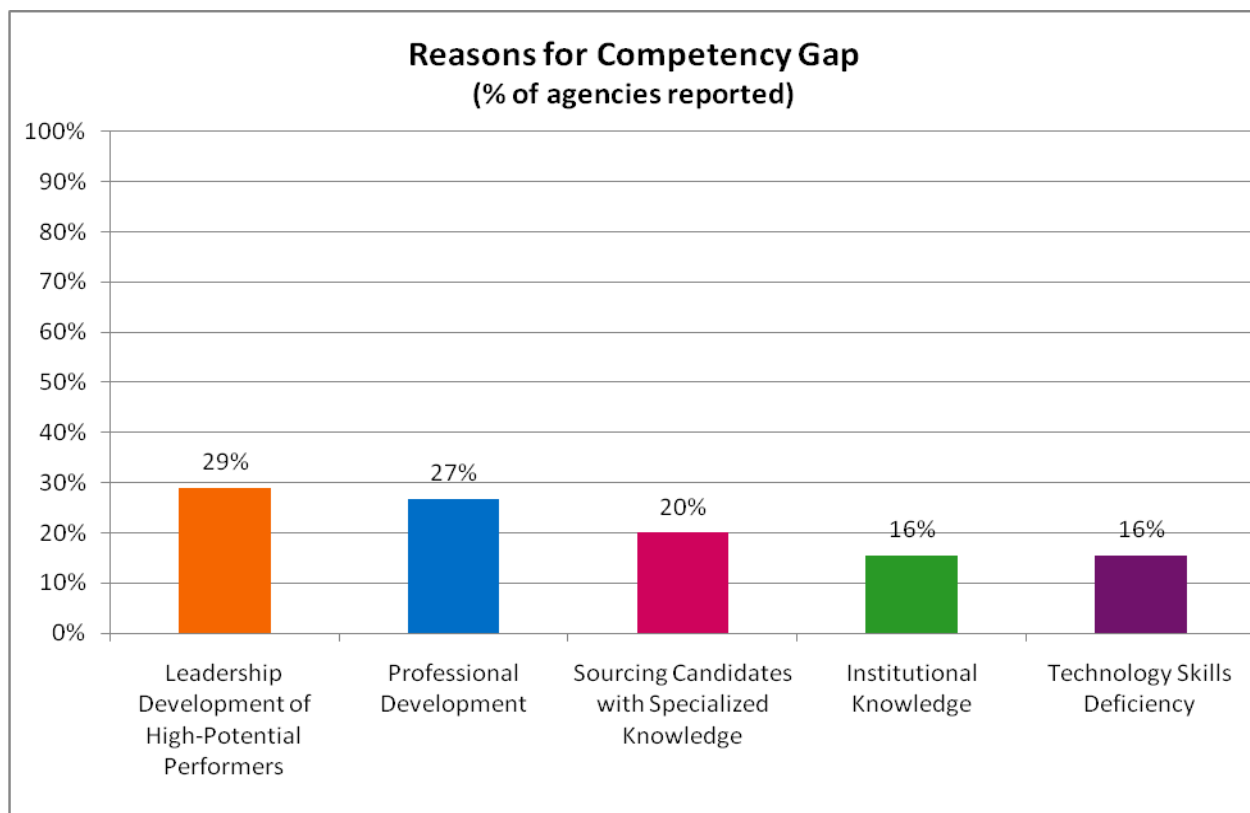


# Staffing, Competency and Diversity Gap Analysis

There are three categories of workforce gaps: competency, staffing and diversity.



- **Competency gaps** are categorized in Georgia as either behavioral or technical.
  - A **behavioral competency** is defined as behavior, knowledge, skills, abilities, and other characteristics that contribute to individual success in the organization. They can apply to all or most jobs in an organization or be specific to a job family, career level or position.
  - A **technical competency** is specific knowledge and skills needed to perform one's job effectively. Technical competencies are job specific and relate to success in a given job or job family.
- **Staffing gaps** focus on issues such as unequal supply and demand of staff in key positions.
  - When creating their workforce plans, agencies identified critical positions that were most affected by attrition or were the most difficult to fill.
- **Diversity gaps** are present when employee demographics are not reflective of the communities agencies are serving with respect to age, race and gender, etc.
  - The workforce planning data does not indicate there were diversity gaps in critical positions; however, it is possible that agencies struggled with how to properly identify their diversity gaps. Demographic data can be overwhelming to assess because technical and analytical skills may be required for proper analysis. Contrasts in the environmental scanning data suggest this area should be evaluated in greater detail by the State.



## Workforce Strategies



This chart illustrates the most popular strategies proposed to close workforce gaps.

Some resources used to support the top five human resource strategies include:

### Training & Development

- Encouraging employees to partner with professional associations to enhance specialized expertise through courses, meetings and networking sessions
- Providing opportunities for employees to secure certifications in their respective fields
- Creating Individual Development Plan (IDP) for employees and establish management review for progress

### Recruitment

Agencies use recruitment strategies to modify sources to seek a more appropriate applicant pool. Some of the many methods used to accomplish this goal are:

- Attending college/university and career fairs
- Using multicultural websites for posting jobs and social networking to target more Hispanic or Asian applicants
- Training on computer and oral communication skills provided to new hires because of new technology execution

## Retention

Retention strategies are implemented in an effort to reduce turnover. Agency strategies include:

- Offering on-the-job training as an opportunity for career advancement
- Conducting customer satisfaction analysis to understand and address turnover
- Exit interviews to determine the reasons why employees voluntarily resign
- Succession planning and career pathing

## Succession Planning

Succession planning is a systematic effort and process of identifying and developing candidates for key leadership and professional positions over time to ensure the continuity of management and leadership in an organization. It is an effective strategy in preventing business discontinuity in light of pending retirement and high turnover. Succession planning prepares high-potential performers to assume leadership positions before senior-level vacancies become available.

Agencies may engage high potential performers in leadership development by using the following:

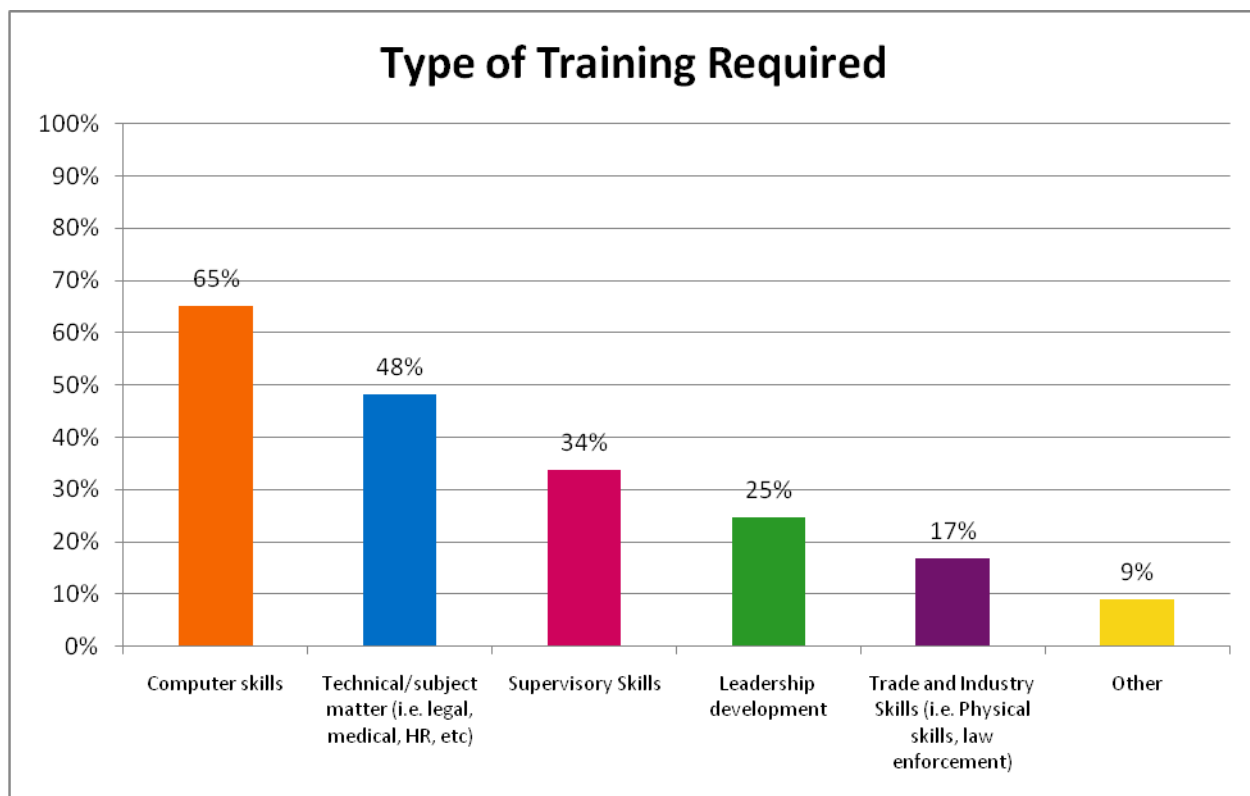
- Executive Leadership Development Program (ELDP)
- Georgia Leadership Institute (GLI)
- Career Management Institute (CMI)
- Geographic Information System (GIS)
- Individual Development Plan (IDP)
- Action Learning Project (ALP)
- Leadership Competency Seminars
- Executive Team Led Discussions/Meetings
- Mentors

## Career Pathing

Career pathing provides employees with a clear understanding of career progression possibilities in an organization. It helps to answer questions when employees are uncertain about how a long-term career should appear. Some of the tools used in a career pathing strategy include:

- ACT Work Keys Assessment
- DiSC Assessment
- 360° Assessment
- Career coaching
- Job rotation

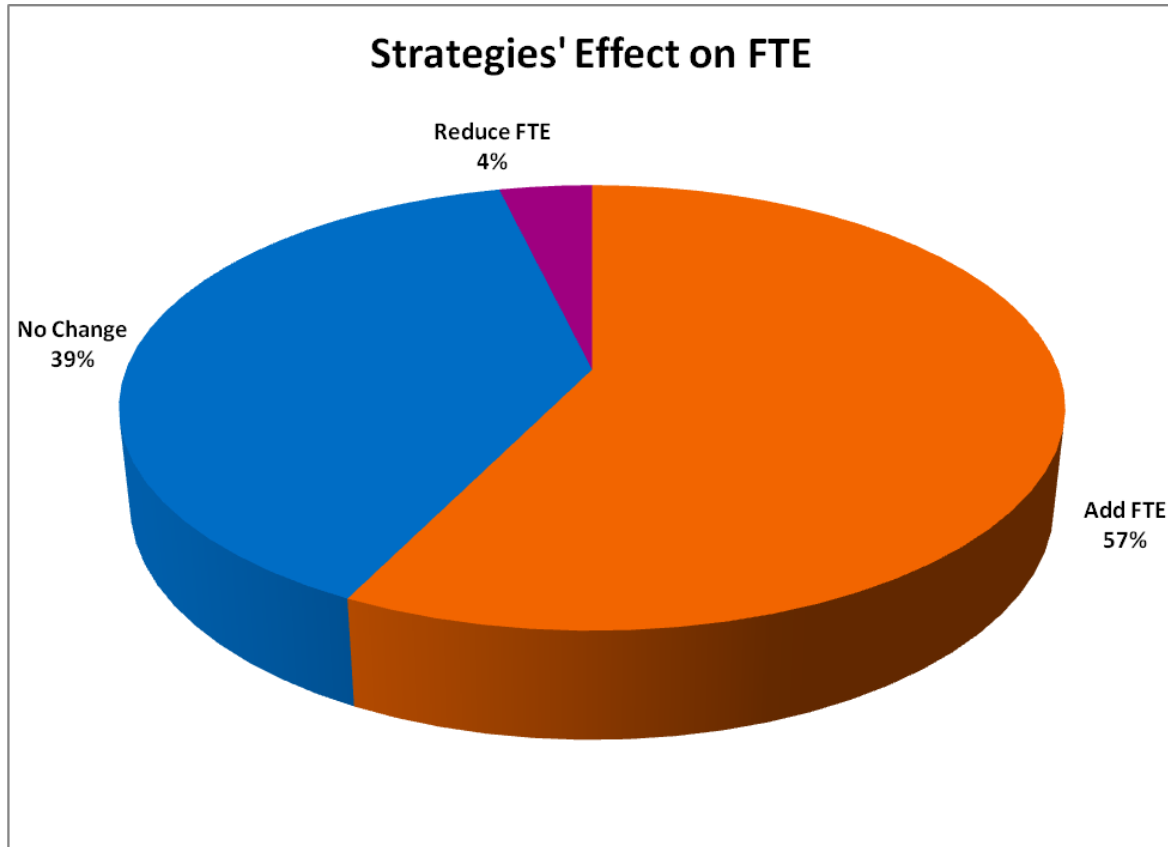
Succession planning and career pathing can also be viewed as retention strategies to increase employee engagement and decrease turnover.



This chart highlights the type of training required for agencies to meet their strategic goals. Data recorded in the State's online strategic planning tool.

## Staffing Analysis

This chart aggregates recommended strategies from agency strategic plans that may have an impact on Full-Time Equivalents (FTEs).



Due to the national economic crisis, Georgia instituted a hiring moratorium in March 2008 which ensured only "critical hires" could be brought onboard to the state's payroll. The moratorium is ongoing. The increased number in FTE's most likely include only critical positions.

## Enterprise Recommendations

- As the annual labor force growth rate continues to decline from the current 0.8% to 0.2% in coming decades, the decrease in numbers of new workers will require the State to tailor rewards to create highly qualified applicant pools (Corporate Leadership Council, 2005). Some agencies have cited limited applicant pools for designated critical positions. Therefore, it is important to consider creative methods by which state government can attract and retain top talent. Boosting marketing efforts which highlight benefits of state government such as career longevity, substantial paid time off policies, and flexible work programs (e.g., telework, four-day workweeks, etc.) are great incentives for prospective employees.
- Even though statistics show that Generation Y outnumbers the Baby Boomers by 1.3 million, current labor statistics indicate that they will not increase quickly enough to replace the growing percentage of employees age 55 and older. (Larson, 2005) Therefore, the State will need to expand best practices that foster good working relationships between generations and help retain institutional knowledge such as succession planning, mentoring, coaching, team building and knowledge management.
- Faced with skills shortages, agencies will need to invest in employee training and development, particularly in regard to technical proficiency and the development of “soft skills” such as team leadership and customer service. (Corporate Leadership Council, 2005)
- Given the urgency of retaining institutional knowledge that older workers possess, some agencies can leverage older workers through part-time or phased retirement programs that provide increased work-life balance.
- Create a “Career Exchange Program” or an inter-agency job rotation program in which an employee works at various agencies to gain a broader perspective of the enterprise. This initiative may work best as a college internship program for recent college graduates who can make rotations in entry-level positions through several agencies in the first few years of state government employment. After the program has been completed, interns can secure employment in state government in existing vacancies throughout the enterprise.
- Employees that work in central office locations should be encouraged to work with employees in the field to get more of an understanding of the work, which can also help guide decision making among senior leaders.
- Conduct exit interviews for all employees that leave state government which will provide agencies and the enterprise more specific and possibly candid reasons for turnover. Thereby, an enterprise action plan could be developed based on interview feedback especially in jobs with labor shortages and high turnover.
- Agencies can develop and maintain a knowledge management system to capture processes and procedures performed by employees who are in critical single incumbent positions and are eligible to retire (current and at-risk in the next three years). An effective knowledge management (and succession planning) process can help avoid disruptions to its business and leadership functions.
- Encourage the use of flexible scheduling options to help employees balance work and life (e.g., elder care). This is an excellent way for the enterprise to retain its most qualified workers. In response to the current economic recession, telework can be marketed as an excellent way for employees to save money, primarily in commuting expenses. Employees

should be encouraged to take advantage of their flexible work options, as work schedules permit.

- Encourage employee development by allowing employees to attend state colleges and universities at a reduced rate, provide tuition reimbursement, and support and/or reward (e.g., purchase study materials, pay for training courses, provide salary adjustments) employees for educational achievements (e.g., college degree, license, certification).
  - Employees who earn college degrees in careers that are experiencing labor shortages which can be beneficial for the enterprise (e.g., healthcare, social services, etc.).
- Encourage employees to take foreign language classes depending on the nature of their jobs and level of interaction with their customers. Most agencies that cited language competency gaps in their workforce plans indicated there is a desire for more Spanish speaking staff to support their customers. As previously stated, the Hispanic population doubled between 2000 and 2004. In addition, several agencies indicated multilingual employees are needed to serve the growing Asian population in Georgia as well (e.g., Mandarin, Cantonese, Korean, Japanese, etc.). According to the environmental scan, the number of Asian students in the state's school systems increased by 78.5% from 1998-2008.



## Conclusion

Workforce planning is vital to ensuring that agencies are able to provide quality services to the citizens of Georgia. Effective planning assists in guaranteeing the right employees are in positions that are most critical to the State's operations. As Georgia continues to face its workforce challenges, agencies recognize the need to make the best use of its resources and have gone to great lengths to strategically plan the allocation of its human capital through workforce planning.

Voluntary turnover in Georgia state government is currently 13%; its lowest point in the last seven years. The economic landscape in the last year created financial difficulty for American families with the rise in housing foreclosure rates and unemployment. The data suggests there is a correlation between economic performance and turnover trends. When the economy begins to make a return to recovery status, agencies will revert to scrambling to attract and retain top talent while experiencing higher voluntary turnover rates. It is imperative for the State of Georgia to continue exploring the use of human resource strategies to close workforce gaps and retain high performers.

Despite the historically low voluntary attrition figure, turnover has proven to be costly for the State. The cost of turnover amounted to approximately \$586 million during FY2009. The State has opportunities to decrease the negative impact to the State's bottom line by assisting state agencies in the execution of human resource strategies cited in the workforce plans. Assuming that key financial variables remain constant in the next fiscal year, the cost of turnover could potentially be reduced by \$45.2 million simply by reducing turnover by 1%.

In addition to managing the problem of high turnover, the State's hiring moratorium has created the need for agencies and individual employees to work harder to accomplish agencies' strategic goals. Hiring activity has decreased significantly since the start of the moratorium in March 2008. The State hired 13,475 employees during FY2009, a decrease of almost 33% from the previous fiscal year. In light of the State's need to perform more work with less, state agencies must be vigilant in identifying creative and efficient ways to service Georgia citizens.

Since 2001, workforce planning has helped the State understand where agencies need the most support and positioned the State to strategically facilitate agency partnerships by connecting agencies experiencing similar workforce challenges. The outcomes of the planning process provide a conduit for maximizing economies of scale by decreasing state spending and increasing the productivity of state workers. Georgia's approach to workforce planning allows the State to engage in continuous improvement in all operational facets. Georgia has been a trailblazer in leading the nation in workforce planning initiatives and continues to move closer to its goal of becoming the "Best Managed State."

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## Appendix

## Georgia State Government Workforce Demographics

Total employees* regular/benefit-eligible:	77,934
Employees by classification status	
Classified:	12,745
Unclassified:	65,189
Total number of employees on Statewide Salary Plan (SWD)	67,942
Total number of employees on Senior Executive Plan (SRE)	638
Total number of employees on other salary plans (i.e., agency specific, medical, teachers, judicial and legislative branches)	9,350

- Employee count includes all non-temporary employees working in State agencies currently utilizing the PeopleSoft HRMS system as of July 1, 2009.

### Comparison Between State Government and Georgia's Labor Force

Gender Totals:		
Comparison Between State Government and Georgia's Labor Force* (July 1, 2009)		
	Percentage of Employees	
Gender	Georgia State Government	Private Sector
Female	62.9%	46.9%
Male	37.0%	53.1%
<b>Grand Total</b>	<b>100.0%</b>	<b>100.0%</b>

Ethnic Group Totals:		
Comparison Between State Government and Georgia's Labor Force* (July 1, 2009)		
	Percentage of Employees	
Ethnic Group	Georgia State Government	Private Sector
African American	45.9%	25.5%
American Indian	0.2%	0.7%
Asian	1.0%	2.1%
Caucasian	50.5%	65.8%
Hawaii/Pacific Islander	0.2%	0.1%
Hispanic	1.4%	5.1%
Multiracial	0.9%	0.7%
Not Reported	0.0%	0.0%
<b>Grand Total</b>	<b>100.0%</b>	<b>100.0%</b>

## Executives: Workforce Tenure & Salary Observations

Key Findings	<ul style="list-style-type: none"> <li>Over 70% of executives on the SRE pay plan are between the ages of 45 and 64.</li> </ul>
	<ul style="list-style-type: none"> <li>Almost 20% of executives on the SRE pay plan fulfill the at-risk retirement criteria                             <ul style="list-style-type: none"> <li>* 60 years of age / 10 years of service</li> <li>* 50 years of age / 30 years of service</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>Approximately 50% of executives on the SRE pay plan have less than ten years of tenure in State government.</li> </ul>

### Executive Compensation Summary

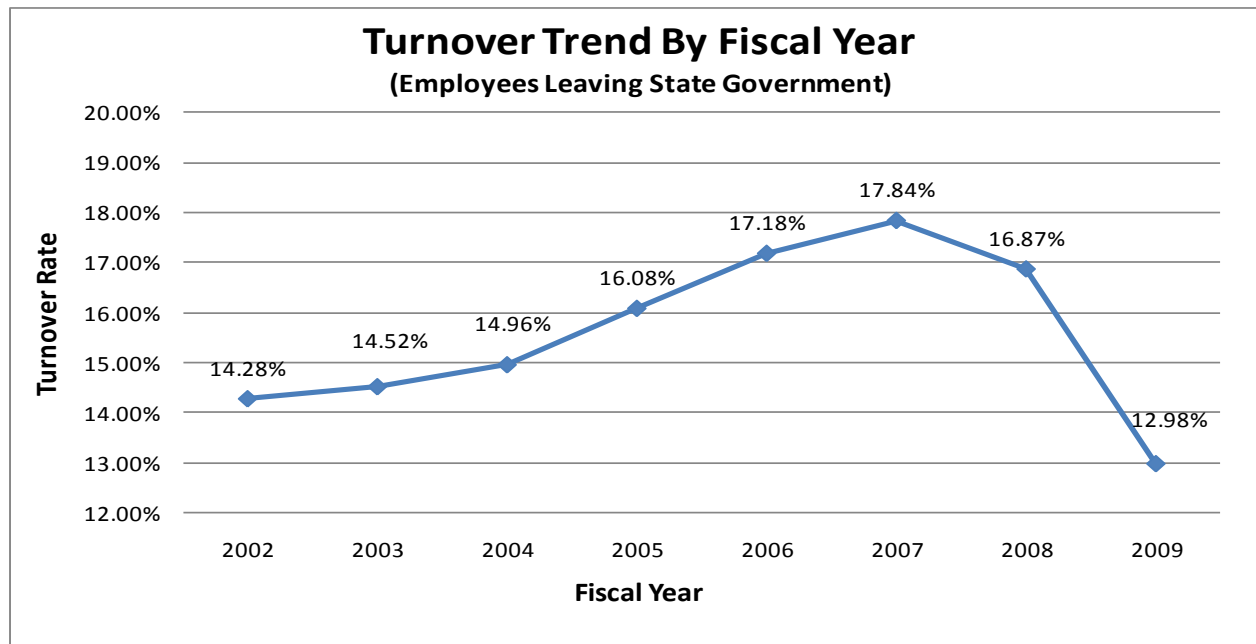
Average Salary	\$105,253
Average Age	52 years
Turnover Rate for 2008/2009	13.2%

		Tenure						Total
		0-10	10-20	20-30	30-40	40-50	60-70	
Age	25-34	22	2					24
	35-44	78	39	8				125
	45-54	86	51	77	18			232
	55-64	108	52	38	25			223
	65-74	12	11	4	1	1		29
	75-84	2			1	1		4
	85-94						1	1
Total		308	155	127	45	2	1	638

*\* Data as of 6/30/2009, executives on the SRE salary plan only*

## Turnover

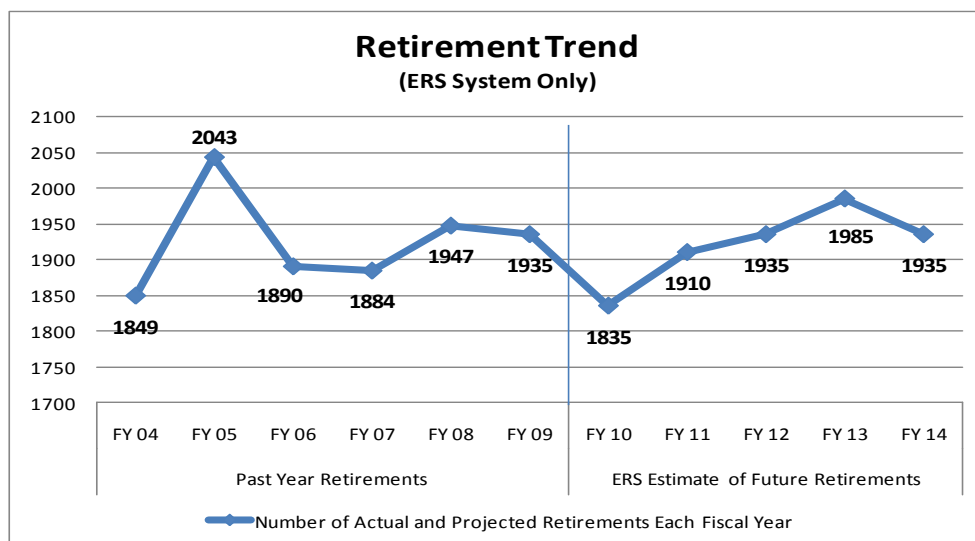
### 7-Year Turnover Trend



- There was a significant decrease in the number of terminations during FY2009 leading to the lowest turnover rate the State has experienced since PS records began. This is primarily due to a drop in the number of voluntary resignations.

## Retirement

### Retirement Trend



**\* Retirement projection numbers have been adjusted this year to reflect State employee retirements only. Survivor deaths and TRS retirements not included.**

For more information regarding Workforce Planning in the State of Georgia, please contact Ann Phillips, Division Director for Workforce Services at (404) 657-3407 or [tann.phillips@spa.ga.gov](mailto:tann.phillips@spa.ga.gov).